

**DEPARTMENT OF FOOD AND AGRICULTURE**

A.G. KAWAMURA, Secretary

Milk Pooling & Dairy Marketing Branches  
1220 N Street  
Sacramento, CA 95814  
Phone: (916) 341-5901  
Fax: (916) 341-5995  
*dairy@cdfa.ca.gov*



December 19, 2003

TO ALL INTERESTED PARTIES:

In July of 2002, the Department lowered the Milk Pooling Administrative Fee collected from market milk producers to fund the operations of the Milk Pooling Branch. The fee was lowered from 1.1 cents to 0.5 cents per hundredweight of milk because the Branch's cash reserves exceeded the amount established by the Department as a prudent reserve. Since lowering the fee, the Branch's cash reserves have been lowered from \$2.5 million to a projected deficit of \$157,285 as of June 1, 2004.

At its meeting on December 11, 2003 the Producer Review Board received an update on the Branch's current fiscal year budget and unanimously supported that the Department reinstate the fee to its past level of 1.1 cents per hundredweight. By reinstating the previous rate, the Pooling Program's cash reserve will be replenished to the appropriate level of two to three month's average operating expenditures.

The Order of the Secretary of Food and Agriculture is included on the reverse side of this letter. Should you have any questions regarding the fee adjustment, please contact me or Donald Shippelhouse at the telephone number or email address above.

Sincerely,

ORIGINAL SIGNED BY:

John Lee, Chief  
Milk Pooling Branch

(View Order 103 Text)